



STATE OF DELAWARE


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May 12, 2016

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Toni Loper, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF ADVISORS ENERGY GROUP, LLC FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED MARCH 12, 2016; FILED APRIL 18, 2016) - PSC DOCKET No. 16-0259

Background

On April 18, 2016, Advisors Energy Group, LLC ("AEG" or the "Company") filed an application (the "Application") with the Delaware Public Service Commission ("Commission") for an Electric Supplier Certificate ("ESC") to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").¹

Application

The Company's original filing was submitted on March 12, 2016, but the submitted Application did not meet the minimum filing requirements ("MFR's"). Staff requested the Company file the following additional documentation: a) a copy of the Delaware business license, and b) a signed, sworn verification letter for any subsequent filings in support of the Application, as required. The Company filed the documents requested by Staff on April 18, 2016; this documentation addressed all deficiencies and satisfied the MFR's.

Review and Analysis

Authority to do Business in Delaware

The Company is a limited liability company formed under the laws of the State of New Jersey and has provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware.

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the Application as URS Agents, LLC, Dover, DE.

Compliance with Regional Requirements

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

Financial, Operational, Managerial and Technical Ability

The Company provided financial statements as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules. Staff believes that these financial documents show substantial evidence of the Applicant's ability to provide services as a Broker in the State of Delaware.

The Company anticipates acting as a Broker serving small commercial, large commercial and industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Application states that the Company currently offers service in Maryland, Massachusetts, and New Jersey, and has no pending applications in any other state at the time of the filing. Staff has confirmed that the Company is licensed in those states. The Application states that the Company has not been denied approval nor had its authority revoked by any state commission. Staff believes that this information shows substantial evidence of the Applicant's operational and technical ability to provide services as a Broker in the State of Delaware.

The Application included a summary of the key operating personnel of the Company. Mr. Samuel Adjangba, Principal, has more than 9 years' experience in the energy market, most are with Advisors Energy Group. Mr. Adjangba also has a wide breadth of other work experience in positions with several non-energy industry organizations. Mr. Adjangba's experience within the energy sector include job responsibilities such as electricity and natural gas sales, management of customer energy portfolios, recruitment and training of brokers and independent representatives. His experience in other sectors included the following job responsibilities; sales of voice and internet protocol, data and web hosting, sales and heating and cooling maintenances agreements, collection of accounts receivables, negotiation of pricing terms, recruitment and training of managed account executives, analysis of capital structure, financial and operating ratios of publicly held corporations, conducted research and statistical analysis projects utilizing annual reports, 10-K's, etc., and he developed and conducted informal training for new analysts. Staff performed an internet review of the Company and its key operating personnel. The search did not reveal any issues. Staff believes that this information shows substantial evidence of the Applicant's operational, managerial, and technical ability to provide services as a Broker in the State of Delaware.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The Application and subsequent filings were verified in signed, sworn verification letters by Mr. Samuel Adjangba, Principal.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company also did not provide any sample contracts for small commercial customers because it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

Statement of Criminal Activity

The Applicant stated in the Application that they have not been charged or convicted of any criminal activity nor have any of its principals or corporate officers. The Applicant has no affiliated interests. An internet review of the Company and its principals revealed no outstanding issues.

Legal Review

On May 12, 2016, following Staff's completed review and analysis of the Application, Staff forwarded its final analysis to the assigned attorney to confirm that all required documentation requested and received from the Company was in compliance with Delaware law and the Supplier Rules and Regulations.

Staff Recommendation

Based on Staff's review of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The Company resolved all outstanding issues with Staff and the completed Application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the Company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.